

WASHINGTON, DC—This afternoon, Congressman Sanford Bishop joined his colleagues in introducing the “Protection of Family Farmers Act of 2004,” which if enacted would extend authorization of Chapter 12 of the bankruptcy code. Chapter 12 provides a valuable bankruptcy option that allows struggling family farmers to reorganize their debt and protect their farms.

“Farming is not just a profession, it is a way of life for many Americans and many Georgians in my district. Charley, Frances, Ivan and Jeanne have already robbed too many farmers in South Georgia of their crops this year; we must not allow these storms to also steal their way of life,” said Congressman Bishop. “As Members of Congress we have a responsibility to protect our family farms and extending Chapter 12 is a critical step.”

Chapter 12 Bankruptcy protection was enacted by Congress in 1986 to give financially distressed family farmers facing bankruptcy a chance to reorganize their debt, keep their farms, and continue farming. Congress has failed to renew the protection after it lapsed on January 1, 2004.

Under this legislation, Chapter 12 is extended until June 30, 2005, retroactive to Jan. 1, 2004. The retroactive provision would allow farmers who filed under a different type of bankruptcy to convert to a Chapter 12 filing if their bankruptcy has not been finalized. An important aspect of Chapter 12 protection is that a farmer's land and equipment will be exempt from liquidation and sale during bankruptcy, which allows farm families to keep farming.

Congressman Bishop is an original co-sponsor of the “Protection of Family Farmers Act of 2004” which was introduced by Congresswoman Tammy Baldwin (D-WI). He is also sponsoring legislation that would make Chapter 12 protection permanent.